

CHAPTER 5

CONSULTATION AND COORDINATION

5. CONSULTATION AND COORDINATION

5.1. DEVELOPMENT OF THE PROPOSED ACTIONS

The proposed Central and Western Gulf of Mexico OCS lease sales, as scheduled in the proposed *Outer Continental Shelf Oil and Gas Leasing Program: 2002-2007*, would offer for lease all unleased blocks in Central and Western Planning Areas (CPA and WPA) of the Gulf of Mexico OCS. The proposed actions include existing regulations and proposed lease stipulations designed to reduce environmental risks.

The MMS conducted early coordination with appropriate Federal and State agencies and other concerned parties to discuss and coordinate the prelease process for the proposed lease sales and EIS. Key agencies and organizations included the National Oceanic and Atmospheric Administration Fisheries (NOAA Fisheries), formerly known as the National Marine Fisheries Service (NMFS); Fish and Wildlife Service (FWS); Department of Defense (DOD); U.S. Coast Guard (USCG); U.S. Department of Defense (DOD); U.S. Environmental Protection Agency (USEPA); State Governors' offices; and industry groups.

5.2. CALL FOR INFORMATION AND NOTICE OF INTENT TO PREPARE AN EIS

On September 12, 2001, the Call/NOI for the proposed Central and Western Gulf of Mexico lease sales were published in the *Federal Register*. The comment period closed on October 12, 2001. Additional public notices were distributed via newspaper notices, mailed notices, and the Internet. The MMS received four comment letters in response to the Call. These comments are summarized below.

American Petroleum Institute—The API and its members state that they fully support the provisions of the Coastal Zone Management Act. The API and its members state that they also support the need for coordination, consultation, and cooperation between States, Federal agencies, and permit applicants to determine whether proposed projects in the Federal OCS are consistent with States' coastal management plans. The API is concerned that a State may object to a consistency certification for a Federal OCS plan on the basis that activities located wholly within Federal waters seaward of another State could affect the objecting State's coastal zone. According to API, in a number of cases, their member companies are experiencing interminable delays and impediments in oil and gas exploration and development in Federal waters due to vague and unsubstantiated objections from certain coastal States that these development activities are, by definition, necessarily inconsistent with a State's coastal zone management plan. The API maintains that these broad interstate consistency review provisions represent a significant Federal problem affecting interstate commerce and national security.

ExxonMobil Exploration Company—ExxonMobil states that it is imperative that the proposed lease sales cover the entire CPA and WPA. ExxonMobil says that, in light of the current situation of declining domestic production, it would be counterproductive to restrict the size of these sales.

Shell Exploration & Production Company—Shell strongly supports the continued annual offering of all acreage in the CPA and WPA and ranks these areas as Priority 1 (high). Shell commented on one specific area of conflict that might bear upon the potential leasing and development of particular areas, the Coastal Zone Management Act. Shell reiterated the concerns expressed by API.

Texaco Exploration and Production Inc.—Texaco recommends that MMS continue the approach of offering all available acreage during each sale listed in the Proposed 5-Year Program. Texaco believes the historical activities in the OCS speak for themselves in regard to comments concerning the particular geological, environmental, biological, archaeological, and socioeconomic conditions or conflicts, or other information that might bear upon the potential leasing and development of the CPA and WPA. Texaco is concerned that certain States may continue to use the Coastal Zone Management Act and their associated approved programs, as a tool to inhibit OCS exploration and development when such activity will have little, if not any, effect on their coastline.

The MMS received 10 comment letters in response to the NOI. These comments are summarized below.

Alabama, Office of the Governor—The State requested that blocks within 15 mi south of Baldwin County be excluded from consideration for leasing throughout the proposed 5-Year OCS oil and gas leasing program for 2002-2007 to minimize the visual impact of new natural gas structures within the

area. The State also has concerns regarding the cumulative impacts of OCS production to onshore air quality in Mobile County and requests that MMS continue to evaluate this matter in the Environmental Impact Statement for the Proposed 5-Year Outer Continental Shelf Oil and Gas Leasing Program for 2002-2007. The State believes that there have been significant impacts to their coastal area from oil and gas activities in the OCS, that some of these impacts have been negative, and that the proposed actions will result in additional adverse impacts to coastal Alabama. The Governor stated that Alabama has not been fairly and equitably compensated for these impacts, and will seek MMS assistance in determining the proper mechanisms for addressing these inequities. The State of Alabama supports a balanced and reasonable OCS leasing program that leads to exploration, development and production, with the stipulation that all OCS activities be carried out in full compliance with relevant Alabama laws, rules and regulations, and be consistent with Alabama's Coastal Zone Management Program. The State looks forward to working cooperatively with MMS in the successful and safe development of the hydrocarbon resources located offshore Alabama and in sharing in the benefits of OCS leasing and production activities.

American Petroleum Institute—The API supports the development of a multisale EIS as part of the planning process of the 5-year program. However, according to API, objective studies such as this EIS do not appear relevant to the planning process or to subsequent decisions. The API states that OCS lease sales and OCS development actions are repeatedly being thwarted in a manner inconsistent with a functioning planning process. The fact that an EIS states that there will be minimal environmental impact does not prevent sales from being altered and leases from being developed. According to API, EIS's and the planning process appear to have lost much of their usefulness.

Gaubert Oil Company Incorporated—Kevin J. Gaubert, President of Gaubert Oil Company Incorporated, requests that the multisale EIS adequately address landside impacts, such as infrastructure and especially at focal point areas like Port Fourchon, and that the EIS incorporate specific mitigative measures for well-documented impacts such as those to LA Highway 1. The EIS should clearly state the impacts, identify strategic focal point support infrastructure, properly evaluate energy security issues, and provide a mitigation plan that offsets the identified impacts.

Greater Lafourche Port Commission—Ted M. Falgout, Executive Director, states that past EIS's have not adequately addressed landside impacts such as infrastructure, especially at focal point areas like Port Fourchon. The Commission feels very strongly that the multisale EIS should incorporate specific mitigative measures for well-documented impacts such as those to LA Highway 1. The multisale EIS should clearly state the impacts, identify strategic focal point support infrastructure, properly evaluate energy security issues, and provide a mitigation plan that offsets the identified impacts.

LA 1 Coalition, Inc.—Roy P. Francis, Executive Director of the LA 1 Coalition, states that he, along with other members of his community, have in the past provided written and oral testimony regarding the impacts to the infrastructure in Lafourche Parish that supports OCS activities in the Gulf of Mexico. The EIS should address potential impacts to LA Highway 1 and a mitigation plan. Mr. Francis feels that his community is suffering the brunt of the impacts with no direct financial benefit or assistance to offset the impacts. The LA 1 Coalition would be willing to meet with MMS to formulate a plan to address their concerns.

Lafourche Parish Council—Gerald "Buzz" Breaux, Parish President, states that the parish recognizes the importance of oil and gas activity and certainly welcomes it in their area. According to Mr. Breaux, oil and gas operators in the Gulf of Mexico are paying billions of dollars a year to the Federal Government in lease revenues and the Federal Government spends very little of this money on mitigating the onshore impacts caused by the offshore leasing policies. The parish is left to deal with the detrimental impacts to the coastal infrastructure. Past EIS's have not adequately addressed impacts upon coastal infrastructure. The multisale EIS should incorporate specific mitigation measures for well-documented impacts such as those to LA Highway 1. Mr. Breaux requested that the multisale EIS address the impacts to LA Highway 1 and a mitigation plan. The multisale EIS should clearly state the impacts, identify strategic focal point support infrastructure, properly evaluate energy security issues, and provide a mitigation plan that offsets the identified impacts.

Louisiana, Office of the Governor—The State fully supports the comments and impact concerns expressed in the letter written by Mr. Jack C. Caldwell, Secretary, Louisiana Department of Natural Resources (LADNR) (summarized below).

Louisiana Department of Natural Resources—The LADNR states that it is in favor of reducing unnecessary paperwork involved in bringing about an OCS lease sale, provided that the concerns of the State are given the appropriate level of attention in the environmental documentation. The LADNR states that past EIS's have not dealt adequately with their concerns about socioeconomic impacts or cumulative or secondary environmental impacts, and none appear to have correctly estimated the direct effects to Louisiana's wetland and infrastructure. As stated by LADNR, the Louisiana coastal zone is exposed to the adverse impacts of OCS exploration and development activities to a far larger extent than any other State. The benefits of OCS development to the State, while large, are disproportionately small when compared to the costs and benefits experienced by other coastal states, says LADNR. The multisale EIS should include analysis of the indirect and cumulative costs to Louisiana's coastal communities, economies, infrastructure, and wetlands. One essential aspect of such studies is a critical review of the predictions made in previous EIS's, comparing the anticipated impacts with actual results. The LADNR requests that the multisale EIS also examine new alternative actions, with the goal of achieving a more equitable balance of the benefits and costs of OCS development borne by the State of Louisiana. The LADNR states that alternatives should be examined that both increase the benefits to Louisiana and avoid, reduce, and/or compensate for impacts resulting from OCS activities. The LADNR suggests that one such alternative would be to offer annual lease sales in the adjacent EPA, which would stimulate oil and gas employment in Louisiana. The LADNR strongly recommends that MMS prepare two multisale EIS's—one for the CPA and one for the WPA. The LADNR does not believe that the two planning areas are comparable and is concerned that real and potential impacts will not be fully represented if treated in one multisale EIS. The LADNR suggests that MMS closely coordinate the preparation of the draft document EIS with LADNR's Consistency Section staff to identify means to reduce or offset the negative impacts of OCS activities on the Louisiana coastal zone.

Louisiana, House of Representatives—Loulan Pitre, Jr., State Representative, District 54, requests that MMS fully consider all previous testimony, written statements, and interviews in connection with the previous EIS for multiyear lease sales, as well as in connection with the EA for Lease Sale 182.

Florida, Office of the Governor—State representatives will be unable to attend the scoping meetings.

5.3. DEVELOPMENT OF THE DRAFT EIS

In accordance with the Council on Environmental Quality's (CEQ) regulations implementing NEPA, scoping was conducted to solicit comments on the proposed Central and Western Gulf lease sales. Scoping also serves as an opportunity to update the Gulf of Mexico Region's environmental information base for the CPA and WPA. Scoping provides those with an interest in the OCS Program an early opportunity to participate in the events leading to the publication of the Draft EIS. The scoping process for the proposed sale was officially initiated by the Call for Information and Nominations (Call) and the Notice of Intent to Prepare an EIS (NOI) on September 12, 2001. Federal, State, and local governments, along with other interested parties, were requested to send written comments to the Region on the scope of the EIS. Formal scoping meetings were held in three Gulf States.

The dates, times, locations, and public attendance of the scoping meetings for the proposed Central and Western Gulf lease sales were as follows:

October 15, 2001 6:30-8:30 p.m. Galveston, Texas 1 registered attendee	October 16, 2001 1:00-3:00 p.m. Houston, Texas 4 registered attendees
October 18, 2001 6:30-8:30 p.m. Mobile, Alabama 3 registered attendees	October 22, 2001 1:00-3:00 p.m. New Orleans, Louisiana 8 registered attendees

Attendees at the meetings identified many items of concern. The MMS received four letters in response to the Call. Ten written scoping letters were received in response to the NOI. Written comments are considered in the EIS in the same manner as the verbal comments received at the scoping

meetings. Chapter 2 presents a summary of the issues, alternatives, and mitigation measures related to proposed actions.

Galveston, Texas, October 15, 2001

One person attended the meeting. No concerns were identified.

Houston, Texas, October 16, 2001

Four people attended the meeting. The attendees included two Exxon/Mobil representatives, one *Daily Oil* representative, and one person whose affiliation was not identified. None of the individuals voiced any concerns at the meeting.

Mobile, Alabama, October 18, 2001

Three people attended the meeting, including one person affiliated with Amerada Hess. None of the individuals spoke at the meeting. However, the Amerada Hess Corporation in Houston submitted written comments addressing the following concerns and issues.

Amerada Hess Corporation	Supports the EIS process. They commented that it captures relevant factors for use in decisionmaking for upcoming OCS lease sales. The Amerada Hess Corporation is also pleased that the multisale EIS proposed by MMS does assist with streamlining the NEPA process into a more efficient process. However, there is concern that the process allows the potentiality for abuse by those with motives to frustrate the objectives for the EIS process.
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New Orleans, Louisiana, October 22, 2001

Seven people attended the meeting. Six individuals presented comments. The presenters represented the Sierra Club, Marathon Oil, Lafourche Parish Water District No. 1, the Chamber of Lafourche, Port Fourchon, Louisiana House of Representative District 54, and Texaco. The comments presented addressed the following concerns and issues.

Sierra Club	Opposes the socioeconomic impact that is placed on the host State during these OCS activities. The spokesmen stated that for every dollar put into OCS support activities dollars are taken from our schools and infrastructure. A big concern is that the highway department renewed taxes for ports and port roads, but not for Louisiana roads. Pipelines are also a concern because they are built by dredging across the bay in shallow water. This results in crawfish kill and poor water quality when interrupted by pipelines. The spokesmen strongly recommend that MMS take a closer look at support vessels, which are getting larger; the impact of waves through coastal Louisiana is enormous. There is a growing concern for the amount of waste that is being transported from offshore locations. We need a new landfill. Which parish will pay for this landfill? The MMS should study the impact of older pipelines that are not marked; vessels have hit these pipelines and people have been killed.
Marathon Oil	Supports the sale process and known schedule, and urged MMS to continue this process.
Lafourche Parish Water District No. 1	Lafourche Parish informed MMS they are not able to keep up with the water demand for drilling activities. The parish asked MMS to be more aware that, when someone attempts to develop property, this activity is creating an impact. The parish believes that MMS should be requiring mitigation work to be done to help alleviate the burden that is placed on the local infrastructure.

Chamber of Lafourche	Supports and looks forward to the proposed OCS oil and gas lease sales scheduled for 2003-2007. However, it has concerns about the fragile infrastructure because of a substandard highway (LA Hwy. 1). Saltwater intrusion is also a concern of the Chamber. Additional concerns are increased vessel traffic in Bayou Lafourche and money is not spent here, it is spent elsewhere. The Chamber of Lafourche requests land-side impacts be addressed in EIS.
Port Fourchon	Port Fourchon pointed out that the EIS, as prepared by MMS, has not addressed land-side impacts and a mitigation proposal to offset impacts of the leasing program. At minimum, the proposed EIS should incorporate, as part of the document, specific mitigative measures for well-documented impacts, such as LA Hwy. 1 and the water supply. Other concerns addressed by Port Fourchon were as follows: cumulative impacts need to be addressed, have not mitigated impacts from previous lease sales, finally a recent study shows states impacts on LA Hwy. 1 and water system and other public services.
Louisiana House of Representative District 54	The Louisiana House of Representative District 4 asked MMS for confirmation that we will incorporate by reference into the record of this proceeding. And fully consider, all previous testimony, written statements, and interviews, in connection with the previous EIS for multiyear lease sale, as well as in connection with the EA in connection with lease Sale 182.
Texaco	Supports MMS's approach for a single EIS for nine sales.

Although the scoping process is formally initiated by the publication of the Call and NOI, scoping efforts and other coordination meetings continue throughout the sale process. The Gulf of Mexico Region's annual Information Transfer Meetings (ITM) provide an opportunity for EIS analysts to attend technical presentations related to OCS Program activities and to meet with representatives from Federal, State, and local agencies; industry; MMS contractors; and academia. Specific opportunities are presented during MMS requests for information, comments, input, and review, which included the following:

- Public Hearing comments on the Draft EIS on the *Proposed Outer Continental Shelf Oil and Gas Leasing Program: 2002-2007*;
- Scoping and comments on the Draft Proposed *Outer Continental Shelf Oil and Gas Leasing Program: 2002-2007*;
- Requests for comments on the Environmental Assessments for CPA lease sales 172, 175, 178, and 182;
- Requests for comments on the Environmental Assessments for WPA lease sales 174, 177, and 180; and
- NOI, scoping meetings, public hearings, and comments on the EIS for the Proposed Use of Floating Production, Storage, and Offloading Systems on the Gulf of Mexico Outer Continental Shelf, Western and Central Planning Areas.

On January 24, 2002, representatives of the MMS's Gulf of Mexico Region met with Secretary Caldwell and LADNR staff to discuss their concerns regarding the impacts of OCS activities on Louisiana's wetlands and coastal infrastructure. The MMS staff presented a status report on MMS's study to assess changes to coastal habitats from OCS-related pipeline canals, navigation canals, and mitigation activities. This study was developed based on previous discussions with LADNR. Secretary Caldwell was pleased with the progress of the study and said the results would be very useful in their efforts to obtain funding for coastal restoration projects.

5.4. DISTRIBUTION OF THE DRAFT EIS FOR REVIEW AND COMMENT

The following public and private agencies and groups were provided copies of the Draft EIS for review and comment. Local libraries along the Gulf Coast were also provided copies of the Draft EIS.

The list of libraries and their locations is available on the MMS website at <http://www.gomr.mms.gov>. The comment period on the Draft EIS closed May 31, 2002.

Federal Agencies

Congress

- Congressional Budget Office
- House Resources Subcommittee on Energy and Mineral Resources
- Senate Committee on Energy and Natural Resources

Department of Commerce

- National Marine Fisheries Service
- National Oceanic and Atmospheric Administration

Department of Defense

- Department of the Air Force
- Department of the Army
- Corps of Engineers
- Department of the Navy

Department of Energy

- Strategic Petroleum Reserve PMD

Department of the Interior

- Fish and Wildlife Service
- Geological Survey
- Minerals Management Service
- National Park Service
- Office of Environmental Policy and Compliance
- Office of the Solicitor

Department of State

- Office of Environmental Protection
- Department of Transportation
- Coast Guard
- Office of Pipeline Safety
- Environmental Protection Agency
- Region 4
- Region 6
- Marine Mammal Commission

State and Local Agencies

Alabama

- Governor's Office
- Alabama Highway Department
- Alabama Historical Commission and State Historic Preservation Officer
- Alabama Public Service Commission
- Department of Environmental Management
- Department of Conservation and Natural Resources
- South Alabama Regional Planning Commission
- State Docks Department

- State Legislature Natural Resources Committee

- State Legislature Oil and Gas Committee

Florida

- Governor's Office
- Department of Community Affairs
- Department of Environmental Protection
- Department of State Archives, History and Records Management
- Bureau of Archaeological Research
- Florida Coastal Zone Management Office
- State Legislature Natural Resources and Conservation Committee
- State Legislature Natural Resources Committee
- West Florida Regional Planning Council

Louisiana

- Governor's Office
- Calcasieu Regulatory Planning Commission
- Department of Culture, Recreation, and Tourism
- Department of Environmental Quality
- Department of Natural Resources
- Department of Transportation and Development
- Department of Wildlife and Fisheries
- Louisiana Geological Survey
- State Legislature Natural Resources Committee
- State House of Representatives Natural Resources Committee

Mississippi

- Governor's Office
- Department of Archives and History
- Department of Natural Resources
- Department of Wildlife Conservation
- State Legislature Oil, Gas, and Other Minerals Committee

Texas

- Governor's Office
- Attorney General of Texas
- Department of Water Resources
- General Land Office
- Southeast Texas Regional Planning Commission
- State Legislature Natural Resources Committee
- State Senate Natural Resources Committee

Texas Historical Commission
 Texas Legislation Council
 Texas Parks and Wildlife Department
 Texas Water Conservation Association
 Texas Water Development Board

Industry/Companies

Amoco Production Company
 Cartwright & Co., Inc.
 John E. Chance and Associates, Inc.
 Kerr-McGee Corp.
 Louisiana Land and Exploration Company
 Louisiana Offshore Oil Port, Inc.
 Groups
 American Littoral Society, Project Reefkeeper
 Audubon Society, Austin, Texas
 Clean Gulf Associates
 Coastal Conservation Association

Gulf of Mexico Fishery Management Council
 Gulf States Marine Fisheries Council
 Louisiana Gulf Coast Conservation Association
 Louisiana Wildlife Biologists Association
 Louisiana Wildlife Federation, Inc.
 Natural Resources Defense Council, Inc.
 New England Aquarium
 Petroleum Information Corporation
 Save Our Coast
 Sierra Club, Lone Star Chapter
 Sierra Club, New Orleans Chapter
 Sierra Club, Southern Plains Representatives
 Texas Conservation Foundation
 Texas Nature Conservancy
 Texas Shrimp Association

As required by Section 7 of the Endangered Species Act, MMS requested a formal consultation with NOAA Fisheries on April 17, 2002, and with FWS on April 15, 2002. These consultations are to ensure that activities in the OCS under MMS jurisdiction do not jeopardize the continued existence of threatened or endangered species and/or result in adverse modification or destruction of their critical habitat. The MMS receives the results of each consultation in a Biological Opinion (BO). You may obtain copies of the final BO's by contacting the Minerals Management Service, Gulf of Mexico OCS Region, Public Information Office (MS 5034), 1201 Elmwood Park Boulevard, New Orleans, Louisiana 70123-2394 (1-800-200-GULF) or by emailing a request to environment@mms.gov.

5.5. PUBLIC HEARINGS

In accordance with 30 CFR 256.26, the MMS held public hearings soliciting comments on the Draft EIS for proposed 2003-2007 Central and Western Gulf of Mexico Lease Sales. The hearings provide the Secretary of the Interior with information from interested parties to help in the evaluation of potential effects of the proposed lease sales. Announcement of the dates, times, and locations of the public hearings were included in the Notice of Availability for the Draft EIS. Notices of the public hearings were also included with the Draft EIS's mailed to the parties indicated above and posted on the MMS Website. In addition, notices of the public hearings were published in local newspapers (*The Times-Picayune*, *The Houston Chronicle*, and *The Mobile Register*).

The hearings were held on the following dates and at the times and locations indicated below:

April 30, 2002

Houston, Texas
 1:00-3:00 p.m.
 Houston Airport Marriott
 18700 Kennedy Boulevard
 Houston, Texas

May 1, 2002

New Orleans, Louisiana
 1:00-4:00 p.m.
 Minerals Management Service
 Gulf of Mexico OCS Region
 1201 Elmwood Park Boulevard
 Jefferson, Louisiana

May 2, 2002

Mobile, Alabama
 2:00-4:00 p.m. and 6:30-8:30 p.m.
 Adams Mark Hotel
 64 South Water Street
 Mobile, Alabama

The comments presented at each of the public hearings are summarized below.

Houston, Texas, April 30, 2002

One person was in attendance. No comments were presented.

New Orleans, Louisiana, May 1, 2002

Seven people attended the hearing. Three individuals presented comments. The speakers included one individual from industry, the Port Director for Port Fourchon, and one individual from an environmental organization. The oil industry spoke in support of Alternative A—the Proposed Action. Both Mr. Ted Falgout, representing Port Fourchon, and Mr. Mark Davis, Executive Director, Coalition to Restore Coastal Louisiana, made the following comments:

- serious impacts to the infrastructure of the Lafourche Corridor;
- feels that some mechanism needs to be put in place to sustain and support infrastructure that is critical to the Federal OCS; and
- coastal Louisiana is essentially subsidizing the national energy policy and the energy strategy of the rest of the Nation, without being proportionally compensated.

Mobile, Alabama, May 2, 2002

No attendees.

5.6. MAJOR DIFFERENCES BETWEEN THE DRAFT AND FINAL EIS'S

Comments on the proposed 2003-2007 CPA and WPA Lease Sales and the Draft EIS were received during the public hearing in New Orleans and were received via written and electronic correspondence. As a result of these comments, changes have been made between the Draft and Final EIS's. The text has been revised or expanded to provide clarification on specific issues. In particular, using the preliminary results of the ongoing *Coastal Impacts of Pipeline and Navigation Canals* study, an effort has been made to present some quantification of wetland losses and to more fully describe the relation of OCS-related activities.

5.7. LETTERS OF COMMENTS ON THE DRAFT EIS AND AGENCY RESPONSES

The Draft EIS for proposed 2003-2007 Central and Western Gulf of Mexico Lease Sales was released on April 1, 2002. The NOA and announcement of public hearings were published in the *Federal Register* on April 8, 2002, and posted on the MMS website. The comment period on the Draft EIS ended May 31, 2002. Comment letters on the Draft EIS were received from the following:

Federal Agencies

U.S. Department of the Navy
Office of the Assistant Secretary
U.S. Environmental Protection Agency,
Region 6

State Agencies

Alabama Department of Environmental
Management
Alabama Historical Commission
Alabama, Office of the Governor
Louisiana Department of Natural Resources

Organizations and Associations

Coalition to Restore Coastal Louisiana
National Ocean Industries Association

Industry

Shell Exploration & Production Company

The remainder of Chapter 5 includes copies of the comment letters. Specific responses to these comments or an indication of how the Draft EIS was modified in response to a comment, if appropriate, are also included.



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 6
1445 ROSS AVENUE, SUITE 1200
DALLAS, TX 75202-2733

MAY 28 2002

Chris C. Oynes, Regional Director
Minerals Management Service
Gulf of Mexico OCS Region (MS-5410)
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394



Dear Mr. Oynes:

In accordance with our responsibilities under Section 309 of the Clean Air Act (CAA), the National Environmental Policy Act (NEPA), and the Council on Environmental Quality's Regulations for Implementing NEPA, the Environmental Protection Agency (EPA) Region 6 Office in Dallas, Texas, completed its review of the Draft Environmental Impact Statement (DEIS) on the Proposed Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007 for Central Planning Areas 185, 190, 194, 198 and 201; and Western Planning Areas 187, 192, 196 and 200, dated April 2002.

EPA has rated the DEIS as **LO, Lack of Objections, with Requests for Clarification in the Final EIS**. Additional clarification requested in the Final EIS includes: more balance between the affected resources and the assessment of the nature and extent of likely environmental impacts, and correction or clarification of apparent inconsistencies or contradictions in the document. Our classification will appear in the *Federal Register* according to EPA's responsibility under Section 309 of the CAA, to inform the public of our views on proposed federal actions.

General and specific comments on the DEIS are enclosed which more clearly identify the areas to be clarified. If you have any questions, please contact Joe Swick at (214) 665-7456. Please send our office five copies of the Final EIS when it is sent to the Office of Federal Activities, EPA (Mail Code 2252A), Ariel Rios Building, 1200 Pennsylvania Ave, N.W., Washington, D.C. 20460.

Sincerely yours,

Robert D. Lawrence, Chief
Office of Planning and
Coordination (6EN-XP)

JUN 3 - 2002

Enclosure

Internet Address (URL) - <http://www.epa.gov/egrb1r6/>
Recycled/Recyclable - Printed with Vegetable Oil Based Inks on Recycled Paper (Minimum 30% Postconsumer)

MMS DEIS on Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007

General Comments:

1. As noted on pages 1-28 and 1-29, pollution prevention can be an effective way to mitigate adverse impacts under NEPA. The Council on Environmental Quality instructs federal agencies to address pollution prevention in the proposed action and reasonable alternatives [40 CFR 1502.14(f), 1502.16(h) and 1508.20]. The proposed action provides an opportunity to integrate pollution prevention measures into both construction activities and the decision-making process. Pollution prevention can include: recycling, including using recycled materials in project construction and operation; increasing efficiency and conservation of energy and water resources; and reducing or eliminating contributions to point or non-point source pollution. Pollution prevention can be implemented with techniques such as waste stream segregation or best management practices. Both site-specific EISs and the Record of Decision, documenting the final decision, can be a valuable tools to inform the public and others how pollution prevention was not only included in the NEPA process, but also how it will be implemented.

Executive Order (EO) 12856 - Federal Compliance with Right-to-Know Laws and Pollution Prevention Requirements (August 1993) includes commitments that the federal government "should become a leader in the field of pollution prevention through the management of its facilities, its acquisition practices, and in supporting the development of innovative pollution prevention programs and technologies."

EO 12873 - Federal Acquisition, Recycling, and Waste Prevention (October 1993) directs the federal government to more efficiently use natural resources by maximizing recycling and preventing waste whenever possible, and to "serve as a model in this regard for private and other public institutions."

2. The DEIS provides a well-developed assessment on cultural resources. It also refers (on page 1-17) to Section 106 of the National Historic Preservation Act as the federal review process designed to ensure that historic properties are considered during project planning, in consultation with the Advisory Council on Historic Preservation (ACHP) and State Historic Preservation Offices (SHPOs). EPA believes any mitigation for adverse effects agreed to through the Section 106 process should be included in the NEPA documentation so the public and other interested parties have a complete picture of the action and all its potential impacts to the environment, both natural and man-made. The Final EIS would be strengthened by clarification of the connection between Section 106 compliance and regulations 30 CFR 250.194 to protect archeological resources, as well as documenting any completed consultation between the ACHP, SHPOs, and/or other interested parties, including affected Indian Tribe or Tribes, if any.

USEPA-GC3

3. Considering the total length of the DEIS, any effort to shorten the Final EIS probably would be beneficial to reviewers [and also for future DEISs, especially with minimal review time (15 days) prior to scheduled public hearings]. For example, much of the length of the DEIS appears to be directly related to formatting. Two suggestions to help reduce the overall length and redundancy (e.g., between Sections 4.2 and 4.3) in the technical analysis presented are: a) combining the affected resources and impacts (including cumulative) into one Chapter; and b) after presenting the impact-producing factors and scenarios, evaluate one "typical" proposed action for both the central and western planning areas focusing more on the similarities and differences, as applicable, between these two regions of the Gulf of Mexico.

USEPA-GC4

4. We appreciate the updated information presented in Sections 4.1 and 4.2 pertaining to the fate and effects of drilling fluids discharges and the regulation of them. It should also be noted that the NPDES General Permits for OCS discharges in Region 6 (western and central planning areas) and Region 4 (central and eastern planning areas) will expire in April 2004, and October 2003, respectively.

USEPA-GC5

5. Various spacial zones of benthic impact from OCS discharges are mentioned with the maximum stated to be 500m from the drilling site. We could not find discussion of the nature of these effects on biota. Potential changes in species richness, community composition and diversity should all be addressed.

USEPA-GC6

6. Bioaccumulation of mercury in Gulf fishery products is presently an issue. MMS, EPA and the industry are engaged in forums on the topic. Therefore, additional discussion in the document is timely regarding the impact of oil and gas OCS discharges. In several places in the document contaminants contained in the drilling fluids, mercury and others, are discussed but we could not find any discussion about the composition of the drill cuttings. These are deposited on the seabed thereby exposing marine organisms to contaminants within the cuttings.

USEPA-SC1

Specific Comments:

1. Page 2-25 and 2-42 - suggest clarification of the referenced 167 and 200 blocks in paragraphs 2.3.2.1 and 2.4.2.1, respectively, to explain the differences between these and the actual sales blocks related to the proposed action.

USEPA-SC2

2. Pages 4-120 and 4-183, Land Use - since it is also likely that affected infrastructures may not develop in a similar manner whether the proposed project action is implemented or not, a critical aspect of the NEPA process is to provide the local communities with a basic understanding of the land use implications expected from implementation of the proposal. Additional clarification and analysis appears to be warranted regarding the expected two percent increase of OCS-related activities. For example, paragraph 3.3.3.8 discusses the many affected land use and coastal activities,

USEPA-SC2 (CONT'D)

USEPA-SC3

USEPA-SC4

USEPA-SC5

USEPA-SC6

USEPA-SC7

USEPA-SC8

USEPA-SC9

including: service bases in Morgan City, Port Fourchon, and the Port of Mobile; navigation channels; helicopter hubs; construction facilities such as platform fabrication yards, pipecoating plants and yards, and shipyards; processing facilities such as refineries, petrochemical plants and gas processing plants; barge terminals and tanker port areas; and disposal and storage facilities. Recognizing the existing oil and gas infrastructure is considered sufficient to handle (secondary) development associated with the proposed action, the Final EIS would be strengthened by improving the balance between these listed affected resources and certain potential effects (e.g., more similar to the level of detail in the Environmental Justice evaluation).

3. Pages 4-85 and 4-86 - the number references to Sections 4.1.1.2.4.8 and 4.1.2.1.11.2 appear to be incorrect. Considering the topics and other available numbers in Section 4, the correct paragraph numbers may be 4.1.1.3.4.8 and 4.1.2.1.10.2.

4. Page 4-86, second paragraph - regarding regulated run-off, the Final EIS should also include the applicability of EPA's NPDES storm water general permit. For additional information see: www.epa.gov/earth1r6/sws.

5. Tables 4-25 and 4-26 should be footnoted for Class I and II maximum allowable increases to show the appropriate source(s) for these limits.

6. Page 4-104 - Noise is evaluated in Section 4 but there is no affected noise environment or baseline for comparison of impacts included in Section 3. The Final EIS should include a noise baseline to improve the balance between potential affected resource and impacts. Also, the Final EIS analysis should include examples of noise levels associated with aircraft, such as helicopters, in determining potential impacts on affected wildlife.

7. Pages 4-108 and 4-172 - it is unclear why the proposed action analyses on Essential Fish Habitat (EFH), including listed managed species, were summarized and considered collectively under coastal and marine environmental degradation. Since both lists of EFH managed species and endangered and threatened species are included in Section 3, the Final EIS would be strengthened by evaluating the impacts on EFH managed species in the same level of detail as the Federally-listed endangered and threatened species.

8. The Final EIS should document that construction and operation activities associated with the proposed action will follow the label instructions for proper storage, transportation, use and disposal of all hazardous materials.

9. Synthetic-based drilling fluids are discussed in Section 4.2.1.3.2. Reference is made to industry use of "dual density drilling techniques". These techniques are not defined nor have the effects of these techniques been studied, according to the text. Some

USEPA
SC10

next steps should be given and some indication of whether these discharges would be allowable discharges.

10. Since one of the assumptions stated in Section 4.1.1.3.4.9 is that use of SBF will increase, it would be appropriate to relate the concern about mercury bioaccumulation to this trend toward use of SBF. The terminology of the second assumption regarding discharge of drilling cuttings "...wetted with SBF..." is not at all clear.



DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(INSTALLATIONS AND ENVIRONMENT)
1000 NAVY PENTAGON
WASHINGTON, D.C. 20350-1000

MAY 29 2002



Mr. Thomas A. Readinger
Associate Director for Offshore Minerals Management
Minerals Management Service
Washington, DC 20240

Dear Mr. Readinger:

This responds to your March 15, 2002, letter to Deputy Under Secretary of Defense DuBois requesting that we review your draft Environmental Impact Statement for leasing activities in the Western and Central Gulf of Mexico.

We have no objections to the proposed leases in the Western and Central Gulf Planning Areas. We continue to examine our training area and testing requirements in the Gulf of Mexico that support essential military operations. If that assessment identifies any conflicts with proposed oil and gas activity, we will coordinate with the Minerals Management Service in accordance with our Memorandum of Agreement.

Staff level coordination points of contact are: Mark Bellis at (703) 5886685, (bellis.mark@hq.navy.mil) and Jarrell N. Henson at (703) 6929369, (henson.jarrell@hq.navy.mil).

Sincerely,

Duncan Holaday
Deputy Assistant Secretary
(Installations and Facilities)

JUN 10 2002

OFFICE OF THE GOVERNOR

DON SIEGELMAN
GOVERNORSTATE OF ALABAMA
May 28, 2002STATE CAPITOL
600 DEXTER AVENUE, ROOM N-104
MONTGOMERY, ALABAMA 36130(334) 242-7100
FAX: (334) 242-0937Mr. Chris C. Oynes
Regional Director
Minerals Management Service
United States Department of the Interior
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Re: Draft Environmental Impact Statement for OCS Lease Sales scheduled for 2003-2007

Dear Chris:

This correspondence is in response to your letter of April 2, 2002, concerning the Draft Environmental Impact Statement for the Proposed Outer Continental Shelf Oil and Gas Leasing Program for 2002-2007. The state of Alabama has no comments regarding proposed Western Gulf Sales 187, 192, 196 and 200; and it offers the following comments regarding proposed Central Gulf Sales 185, 190, 194, 198 and 201.

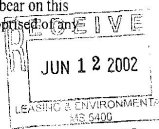
As you are aware, our state consistently has supported protection for environmentally sensitive areas that might be impacted by oil and gas exploration and development activities in the OCS. Specifically, we request that the Minerals Management Service provide adequate protection for the live bottom areas, pinnacle reefs and chemosynthetic communities offshore Alabama throughout the new five-year program.

The state of Alabama continues to oppose the offering for lease blocks south and within 15 miles of the Baldwin County coast, including the Central Gulf of Mexico Planning Area. Our desire is to minimize the visual impact of new natural gas structures within the area. We believe the state's position on minimizing the visual impact of new natural gas structures is consistent with the proper development of offshore Alabama. We request that MMS exclude these blocks from consideration for leasing throughout the proposed five-year OCS oil and gas leasing program for 2002-2007.

We appreciate the information provided in the DEIS concerning the potential impacts of OCS production to onshore air quality in Mobile County. This remains an issue with which we have concerns, and we intend to seek additional information from MMS regarding this matter.

As you are aware, we are concerned about the potential for mercury contamination associated with OCS platforms. We are pleased to learn that the OCS Scientific Committee is addressing this matter. It is our desire that the best science available be brought to bear on this matter as soon as possible. Please keep my office and Alabama's state geologist apprised of any

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Mr. Chris C. Oynes
May 28, 2002
Page 2

recommendations or conclusions of the Scientific Committee regarding the potential for mercury contamination associated with any oil- and gas-related OCS activity.

We believe the state of Alabama has received significant impacts to its coastal area from oil and gas activities in the OCS. Some of these impacts have been adverse, and the five proposed Central Gulf Sales undoubtedly will result in additional adverse impacts to coastal Alabama. We believe that Alabama has not been fairly and equitably compensated for these impacts, and we seek your input in determining the proper mechanisms for addressing these inequities.

Alabama supports a balanced and reasonable OCS leasing program that leads to exploration, development and production, with the stipulation that all OCS activities be carried out in full compliance with relevant Alabama laws, rules and regulations, and be consistent with our Coastal Zone Management Program.

We appreciate the opportunity to comment on the Draft Environmental Impact Statement for proposed Western Gulf Sales 187, 192, 196 and 200, and proposed Central Gulf Sales 185, 190, 194, 198 and 201. We look forward to working cooperatively with MMS in the successful and safe development of the hydrocarbon resources located offshore Alabama and in sharing in the benefits of OCS leasing and production activities.

Sincerely,

 Don Siegelman
 Governor

DS/lb/me

cc: Dr. Donald F. Oltz
Commissioner Riley Boykin Smith
Mr. James Warr
Mr. Lance BrownALGOV-4
ALGOV-5 (CONT'D)
ALGOV-6

ADEM

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

Post Office Box 301493 36130-1463 • 1400 COLISEUM BLVD. 36110-2059

MONTGOMERY, ALABAMA

WWW.ADEM.STATE.AL.US

(334) 271-7700

JAMES W. WARR
DIRECTOR



DON SIEGELMAN
GOVERNOR

Facsimiles (334)

Administration: 271-7950
General Counsel: 394-4322
Air: 279-3044
Land: 279-3050
Water: 279-3051
Groundwater: 270-5631
Field Operations: 272-8131
Laboratory: 277-5719
Mining: 394-4326
Education/Outreach: 394-4383

May 1, 2002

Minerals Management Service
Office of Leasing and Environment
Attn: Regional Supervisor (MS5410)
Gulf of Mexico, OCS Region
1201 Elmwood Park Blvd.
New Orleans, LA 70123-2394

RE: Response to Draft EIS for MMS Proposed OCS Lease Sale 2003-2007, Central Planning Area 185, 190, 194, 198, and 201, Western Planning Area 187, 192, 196, and 200 in the Central Gulf of Mexico

Dear Sir:

The Alabama Department of Environmental Management (ADEM) has completed its review of the Draft Environmental Impact Statement (DEIS) submitted by the Department of the Interior, Minerals Management Service, in reference to the proposed Gulf of Mexico OCS Oil and Gas Lease Sales in the Central and Western Planning Areas 2003-2007.

ADEM emphasizes the Governor's response, as stated in a letter dated January 2, 2002 to the Draft EIS for the proposed OCS Oil and Gas Leasing Program for 2002-2007. Governor Siegelman expressed opposition to offering for lease any tracts located within 15 miles of the Baldwin County, Alabama coast. The Governor also states "We believe that the state of Alabama has received significant impacts to its coastal area from oil and gas activities in the OCS. Some of these impacts have been adverse and the new program undoubtedly will result in additional adverse impacts to coastal Alabama."

Based on the material submitted, Alternative C describes the anticipated environmental impacts from a scenario which excludes unleased blocks within 15 miles of the Baldwin County coast. The EIS process is a decision making process and ADEM advises and recommends that Alternative C be selected by the MMS.

The ADEM appreciates the opportunity to review and comment on the DEIS. Should you have any questions concerning this matter, please contact Allen Phelps, in Mobile, at 334/432-6533.

Sincerely,

Steven O. Jenkins, Chief
Field Operations Division

cc: Bob Mink, GSA
Phillip Hinesley, ADCNR
Steve Heath, ADCNR
Allen Phelps, ADEM

Birmingham Branch
110 Vulcan Road
Birmingham, Alabama 35209-4702
(205) 942-6168
(205) 941-1003 (Fax)

Decatur Branch
2715 Sandlin Road, S.W.
Decatur, Alabama 35603-1333
(256) 355-1713
(256) 340-9159 (Fax)

Mobile Branch
2204 Perimeter Road
Mobile, Alabama 36615-1131
(251) 450-3400
(251) 479-2593 (Fax)

Mobile - Coastal
4171 Commanders Drive
Mobile, Alabama 36615-1421
(251) 432-6003
(251) 432-6598 (Fax)



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STATE OF ALABAMA ALABAMA HISTORICAL COMMISSION

468 SOUTH PERRY STREET
MONTGOMERY, ALABAMA 36130-0900

LEE H. WARNER
EXECUTIVE DIRECTOR

TEL: 334-242-3184
FAX: 334-240-3477

April 29, 2002

Minerals Management Service
Gulf of Mexico OCS Region
Office of Leasing and Environment
Attn: Regional supervisor (MS 5410)
1201 Elmwood Park Boulevard
New Orleans, Louisiana 70123-2394

Re: AHC 02-0788; Draft EIS for Minerals Management Service, Gulf of Mexico

Dear Sir or Madam:

AHC-1 Thank you for forwarding to our office a copy of the Draft Environmental Impact Statement for the above referenced project. We can concur with project activities with the stipulation that each proposed project is submitted to our office for review and determination prior to project initiation, as stated in the document. We look forward to receiving a copy of the Final EIS as soon as it becomes available.

We appreciate your commitment to helping us preserve Alabama's non renewable resources. Should you have any questions, please contact Amanda McBride of this office and include the AHC tracking number referenced above.

Very truly yours,

Elizabeth Ann Brown
Deputy State Preservation Officer

EAB/ALM/alm

THE STATE HISTORIC PRESERVATION OFFICE
www.preservala.org

State of Louisiana



W.J. "MIKE" FOSTER, JR.
GOVERNOR

JACK C. CALDWELL
SECRETARY

DEPARTMENT OF NATURAL RESOURCES

May 27, 2002

Chris C. Oynes
Regional Director
Minerals Management Service
Gulf of Mexico OCS Region (MS 5410)
Office of Leasing and Environment
1201 Elmwood Park Boulevard,
New Orleans, Louisiana 70123-2394

RE: **C20020118** Solicitation of Views
Minerals Management Service
Direct Federal Action
MMS Request for Comments on the Draft Environmental Impact Statement (DEIS) for
proposed Central Gulf of Mexico Planning Area Lease Sales 185, 190, 194, 198 and 201,
and proposed Western Gulf of Mexico Planning Area Lease Sales 187, 192, 196 and 200

Dear Mr. Oynes:

We have reviewed the above referenced DEIS for the nine Gulf of Mexico OCS Lease Sales and offer the following preliminary comments for your consideration in meeting Louisiana's Coastal Zone Consistency requirements. Final Consistency Concurrence by this Office, however, must await your agency submitting a Consistency Determination in advance of each of the nine individual Lease Sales covered in the DEIS.

Unlike the previous DEIS's for Central and Western Gulf of Mexico Planning Areas published in 1997, the present DEIS does not make any wetland loss projections for OCS pipelines, navigation canals or oil spill scenarios. We believe this is a serious oversight as Louisiana's primary concern with the OCS Leasing Program relates to the direct and secondary losses of wetlands due to OCS oil and gas exploration, development and transport within the Louisiana Coastal Zone. To bring into focus the enormity of Louisiana's wetland loss problem, it should be pointed out that this state currently experiences 80% of the nation's coastal wetland loss at a rate of 25 to 35 square miles per year. Current estimates are that a further 640,000 acres of coastal wetlands, an area about the size of the state of Rhode Island, will be lost by 2050, a period not much longer than the expected life span of all activities associated with the present nine proposed Lease Sales. It is the primary mission of the Louisiana Coastal Resources Program to stop or reverse this process to the extent possible.

One type of wetland impact that the DEIS does not appear to fully address or consider as a cause of OCS wetland loss is navigational canal deepening and associated saltwater intrusion.

COASTAL MANAGEMENT DIVISION P.O. BOX 44487 BATON ROUGE, LOUISIANA 70804-4487
TELEPHONE (225) 342-7591 FAX (225) 342-9439
AN EQUAL OPPORTUNITY EMPLOYER

Chris C. Oynes
May 27, 2002
Page 2

While the DEIS mentions that some navigation canals may be deepened in the future, there is not adequate treatment of the impacts that occur to wetlands when and if these canals are deepened. MMS identifies the Port Fouchon Canal as a canal likely to be deepened due to OCS activities, but we know of several other cases where navigation canals are likely to be deepened in coastal Louisiana that have OCS related activities, including the Atahfalaya River below Morgan City, the Calcasieu River below Lake Charles, and the Sabine River below Beaumont. As is demonstrated by the case of the dredging of the Mississippi River Gulf Outlet, devastating losses of wetlands occur from canal dredging or deepening, largely due to saltwater intrusion. We believe the DEIS does not adequately address these wetland impact issues, or the part played by OCS-generated activities in them.

Loss of wetlands in Louisiana also results from such OCS-generated activities as bankline erosion along navigation canals caused by waterborne traffic, pipeline canal dredging and subsequent pipeline canal widening, and from such diverse causes as degradation of marshes, canals and valuable estuarine water bodies due to water pollution. Other wetland losses derive from saltwater intrusion; overuse and unsustainable over-development of onshore infrastructure (often at a high financial cost for the state to maintain); and environmental contamination associated with hazardous wastes produced and often stored or disposed of in the Louisiana Coastal Zone. While wetland losses may sometimes be attributed to specific petroleum industry activities, it is usually not possible to identify the specific companies responsible for each wetland loss because many of these losses result along waterways traveled in common by all users, and from a multitude of indirect and secondary effects of petroleum development activities. Hence, Louisiana views the Federal agency responsible for promoting and benefitting from the development and exploration of energy resources these activities produce as responsible for the wetland impacts arising from them. An issue that MMS should address in these Lease Sale documents is the program/process MMS should implement to adequately compensate Louisiana for these secondary and cumulative impacts, as required by the LCRP and 15 CFR 930.36. We note that Louisiana has repeatedly made this request for previous OCS Lease Sales, and has yet to see the issue addressed in any way.

Although the DEIS does point out on Page 4-65 that MMS is conducting an OCS pipeline study that will provide basic information for environmental impact assessments and for mitigation development by MMS, no specific wetland loss figures are estimated for OCS pipelines, navigational canals or oil spills associated with these nine Lease Sales, and no wetland mitigation plan is offered for compensation for OCS-related wetland losses. Louisiana has a no net wetlands loss policy embodied in the Louisiana Conservation Plan, in which the entity responsible for the wetland loss must mitigate or otherwise provide adequate compensation for the loss. This Plan, approved by Federal partners, including the Department of Interior, permits the state to reduce our match for wetlands restoration projects under the Coastal Wetlands Planning, Protection, and Restoration Act. This saves the state millions of dollars a year. If the state does not meet this "no net wetland loss due to development", we stand to lose that match benefit. It is also noteworthy that Executive Order 11990 establishes that each Federal agency

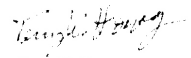
Chris C. Oynes
May 27, 2002
Page 3

shall provide leadership and take action to minimize the destruction, loss, or degradation of wetlands, and to preserve and enhance the values of wetlands. For these reasons, it is essential that MMS provide us with direct and secondary wetland loss figures in all Lease Sale DEIS and Consistency Determination documents.

Another issue we believe should be addressed in the FEIS, is a review of the impacts predicted in earlier 5-Year Programs and OCS Lease Sale documents, as compared to the actual impacts which resulted. We are not aware of any monitoring data supporting either the methodology or conclusions of these predictions as espoused in previous plans. This is particularly true of wetland impacts. If MMS does not have the data with which to make this analysis, we strongly recommend that appropriate studies and/or monitoring be included in this and future MMS 5-Year Programs so that we may assess the accuracy of DEIS impact estimates.

Finally, it must be noted that Louisiana has enjoyed many benefits from OCS exploration and development in the Gulf of Mexico. We are grateful for the opportunity to comment on and coordinate with MMS in the development of DEIS and Lease Sale documents for the Gulf of Mexico Planning Areas. It is our hope that our concerns are adequately addressed and incorporated into the Consistency Determinations for each of the nine Lease Sales covered in the DEIS. If you should have questions with regards any of these matters, please feel free to contact me at (225) 342-7591.

Sincerely,



Terry W. Howey
Administrator, CMD

TWH/GD/JH/bgm

cc: Jack C. Caldwell, Secretary, DNR



Coalition to Restore Coastal Louisiana

746 Main Street, Suite B101 • Baton Rouge, LA 70802
225-344-6555 • Fax 225-344-0590 • coalition@crcl.org • www.crcl.org

May 31, 2002

Minerals Management Service
Gulf of Mexico OCS Region
Office of Leasing and the Environment
Attention: Regional Supervisor (MS 5410)
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

Re: Draft EIS for Central and Western Planning Area Sales 185, 187, 190, 192, 194, 196, 198, 200, and 201

Dear Sir or Madam:

We have reviewed the draft Environmental Impact Statement for the above mentioned proposed sales and have the following comments for your consideration.

General Comments: On the whole we find the draft EIS to have done a better job of identifying potential types of impacts that may ensue leases than was often the case in the past. That said, the level of detail to describe those impacts and to place them in the context of what is happening in our coast--and what needs to happen under the Coast 2050 plan--seems far too sparse to allow this draft to be viewed as complete. In some ways the level of detail is well below that was developed for Lease Sale 181 (LS181). In other ways it relies on assumptions and that contradict experience and even are inconsistent with the analysis that supported LS 181.

Additionally, the ultimate assessment of several major impacts seems to hinge on the results of various studies that are vaguely described in the document. The studies of secondary and cumulative impacts to wetlands and related mitigative efforts (page 4-68) and the study of the wetland impacts of canal widening and the effectiveness of mitigation (page 4-65) seem particularly important. Yet it appears that the decisions with respect to the sales may be made before those studies are complete and their results made public. Given the fact that much of the degradation of our coastal environment is attributable to the secondary and cumulative effects of canals, embankments and other hydrologic alterations, this is not a trifling matter.

The draft EIS also does not seem to track recent developments that suggest that mercury contamination (at least partially associated with OCS activity) is far less benign and localized than MMS is suggesting on pages 4-16 and 4-86. Not only has the Mobile Register raised the issue of mercury contamination of several gulf fish species (including

Our Coast ... Our Future



LADNR-6

LADNR-7

CRCL-1

CRCL-2

CRCL-3

CRCL-3 (CONT'D)

ling, redfish, and amberjack) and in human populations that consume those fish but it was reported by the Associated Press on May 20, 2002 that the White House is convening a National Science and Technology Council task force (with the support of Senator Jeff Sessions) to address the issue of mercury contamination. We believe the current level of attention to this issue in the EIS falls far short of what is necessary to label even a draft EIS complete.

We realize that a certain level of detail will always be missing in a programmatic EIS, but this is more than just a programmatic EIS. This is supposed to be good enough to serve as a final EIS for LS 185 in 2003. Right now it is not. Indeed, given the fact that each lease sale proposal and projected activities are very similar for each year it seems to us that there is sufficient certainty about these proposed sales and their likely impacts to warrant a level of detail generally associated with a final EIS. We do not feel that those deficiencies can be adequately addressed through the preparation of additional Environmental Assessments for the outyear sales.

CRCL-4

Despite that lack of detail, there is enough in the draft to demonstrate the historic and on-going impacts of supporting Outer Continental Shelf (OCS) oil and gas development on our coast and its communities. Those impacts are very real and very substantial. The rather formulaic environmental justice section (4.2.1.14.4) is the only place where the qualitative impacts are really discussed and it misses the mark by a wide margin. Simply put, the OCS sales covered by this EIS, alone and in combination with previous OCS related activity, will be a significant stressor on the vitality and viability of our coastal and its communities and that is not adequately reflected in the draft. It is not conjecture to suggest that this EIS must reflect the fact that OCS energy development is being subsidized by the ecology, communities, cultures, and very landscape of coastal Louisiana and that the impacts to those resources are not being mitigated.

Specific Comments:

CRCL-5

Wetlands: The section (4.4.1.1.2) of the draft EIS dealing with the impacts to the wetlands of the Central Planning Area (virtually all of which is in Louisiana) is seriously deficient. In essence the section says there will be impacts, perhaps significant, but MMS has no way of knowing where or how bad they will be. That is not good enough, particularly with respect to direct impacts. Considering the fact that you expect no major new navigation channels and only one new pipeline landfall as a result of this 5-year leasing program (though the number of new landfalls from all OCS activities could be as high as 22 according to Table 4-14) there should be no great mystery about where and how significant the impacts should be. For LS 181, MMS had no trouble predicting the loss of up to 1,330 hectares of land in Plaquemines Parish by the installation of up to 7 pipelines. Similarly, MMS knows exactly where the navigation channels and service ports are and the likely depths that will need to be maintained to support the proposed OCS work. To claim that the OCS activities are too diffuse and broadly scattered to allow more precision is not acceptable nor is it acceptable to pass the burden on to a vaguely described study that supposedly will let you better evaluate these impacts and related mitigative effects. And to suggest that you don't know more at this stage of the game is

frankly a bit stunning. MMS is no stranger to these issues or to NEPA. You can do better, you have done better and you must do better now.

Channels, Pipelines, and Vessel Traffic: The portions of the Wetlands section dealing with pipelines, dredging and vessel traffic suffer from the same vagueness problem described above. These sections talk around the issue of impacts rather than actually addressing them. The draft acknowledges the fact that impacts from channel-widening, spoil banks, saltwater intrusion, and bank erosion from boat wakes, and failed or inadequate mitigation but either defers any substantive analysis of those impacts to separate studies (see pages 4-65 and 4-68) or to resorts to unhelpful sweeping statements (e.g. "An increase in the number of vessels creating wakes could potentially impact coastal habitat including wetlands." (page 4-66)) or statistical analyses.

An example of the latter can be seen on page 4-86. The draft concludes that the impacts of from OCS related navigation attributable to the proposed sale will "remain negligible" due to the fact that it will make up only 2% of the usage of the channels (the total usage attributable to OCS related navigation is reported to be 10%). These are meaningless figures. Percentage of use does not correlate to causation of impact. Impacts are much more a function of vessel size, speed, draft, and cargo-- and future OCS related navigation will be characterized by larger, faster, deeper draft vessels (page 4-28). It is not the more numerous fishing and recreational vessels that cause the most damaging wakes and require deep channels that induce tidal exchange and salt water intrusion. An accident involving a smaller vessel does not pose the same risks as an accident involving a crewboat, supply vessel or a platform under tow and those facts cannot be denied or minimized by a superficial statistical presentation.

We believe that a more rigorous discussion of the reasonably anticipated impacts to coastal habitats is required. We also disagree with the premise that OCS related navigation has had a negligible impact in the past, a premise which is used to further justify the cursory treatment of navigation impacts (page 4-68). On the whole we believe additional work is necessary on these issues before the draft can be considered complete.

CRCL-6

CRCL-7

CRCL-8

Spills: The risk analysis for coastal spills (the most likely source of problems for coastal Louisiana) is based on a proportional analysis of the U.S. Coast Guard Marine Safety Information System database. Inherent in this approach is presumption that historical experience is an adequate basis for predicting the future. In a static system that might be sufficient but in a dynamic coastal environment such as we have here it is not. Currently much of coastal Louisiana is experiencing dramatic landloss that could result in the undermining and exposure of pipelines, navigation channels and collection, processing and supply facilities. We can find no discussion of this pervasive risk factor in this document nor of the proposed systemic effects of the Coast 2050 coastal restoration plan adopted by the state and five federal agencies in 1998. The manner in which risk and risk management are viewed in connection with this proposed sale must reflect both the

CRCL-8
(CONT)

prospective continued collapse of our coast and its proposed rehabilitation--a rehabilitation we believe should be actively supported through any OCS leasing program.

CRCL-9

Waste: While we do not pretend to be experts on the issue of waste management, much less OCS waste management, we do find it hard to reconcile the discussion of the issue in this draft with the approach taken in previous lease sale documents. We find it hard to believe that when Lease Sale 181 was being reviewed it was envisioned that the associated OCS development would result in the need for three new land fills over the next 35-40 years--two of which would be in Louisiana. Similarly, it was envisioned that several new waste facilities for Nonhazardous Oil-field Waste would be required. (Pages IV-87 and 88 of DEIS for LS 181). Yet the current draft predicts no increase in waste storage needs. We cannot help but be struck by the more comprehensive discussion--and the conclusions--in the NEPA documentation for LS 181. There is no explanation for this disparity in the current draft and it further fuels our concern that this draft displays a pervasive understatement of the expected impacts of the proposed lease sale.


CRCL-10

Table 4-14: This table showing existing and proposed coastal pipelines resulting from the OCS Program has several problems. First, the total column does not agree with the sub-columns in regard to existing landfalls and pipelines entering state waters. Second, it is not clear whether the projected pipelines includes any pipelines related to the proposed sale (i.e., is Table 4-13 a subset of Table 4-14?). And finally there is no indication of the source of the information set forth in the table. For this table to be understandable each of these problems needs to be addressed.

Conclusion: We thank you for considering these comments and we offer them with hope that they help improve both the process of drafting the EIS and in making any ultimate

CRCL-11

decisions about the proposed sale. At present we believe there are sufficient material gaps in this draft to deem it incomplete. We urge that it be reviewed, revised and reissued in draft format for additional comment. If we can be any assistance in that process we would be pleased to help. Do not hesitate to call us if you have any questions about these comments or would like our assistance in helping you to respond to them.

Sincerely yours,

Mark Davis
Executive Director

Cc: CRCL board
Sec. Jack Caldwell, LDNR
Mr. Randy Hanchey, LDNR
Mr. Terry Howey, LDNR
Dr. Len Bahr, Governor's Office
Ms. Karen Gautreaux, Governor's Office

Shell Exploration & Production Company



One Shell Square
PO Box 81933
New Orleans LA 70161
(504) 728-6982

May 14, 2002

Department of the Interior
Minerals Management Service
Office of Leasing and Environment
Regional Supervisor (MS-5410)
Gulf of Mexico OCS Region
1201 Elmwood Park Boulevard
New Orleans, LA 70123-2394

RE: MMS Draft EIS
Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007
Central Planning Area Sales 185, 190, 194, 198, and 201
Western Planning Area Sales 187, 192, 196, and 200

Gentlemen;

Shell Exploration & Production Company and other affiliates of Shell Oil Company (all referred to as "Shell") appreciates the opportunity to comment on the Draft Environmental Impact Statement (DEIS) for the Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007. Being actively involved in oil and natural gas development projects, Shell is very interested in the proposed lease sales and DEIS.

Shell supports Alternative A, the MMS Proposed Action, as laid out in the DEIS for both the Central and Western GOM Lease Sales. We recognize the importance of a strong military and are committed to working cooperatively with the military in the GOM.

The Minerals Management Service (MMS) has done an excellent job in preparing this detailed DEIS. It is comprehensive and evaluates in detail a vast array of issues related to Outer Continental Shelf (OCS) operations and their potential environmental impact to both offshore and onshore areas. The DEIS analyzed in detail many resources and activities that included: coastal environments, offshore resources, water and air quality, marine mammals, sea turtles, coastal and marine birds, fisheries, recreational resources, archaeological resources and socioeconomic activities. Shell believes the document and the scientific data included therein demonstrate that petroleum resources can be developed while ensuring that the GOM ecosystem is protected.

In Section 1.3 of the DEIS, MMS has done an excellent job in summarizing the regulatory framework for the OCS leasing program, and the extensive regulations that are already in place. Also, Sections 1.4 and 1.5 provide an excellent overview of the various MMS programs and involvement in the review and planning of proposed OCS development activities to ensure that

RE: MMS Draft EIS
Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007

they are conducted in a safe manner, with full consideration of the potential effects to the environment.

These lease sales are very important for the development of the GOM's gas and oil resources. Shell agrees with MMS's assessment that development of these gas and oil reserves will help industry and the government meet some of the future energy needs of the United States. Industry has demonstrated that it can explore for and produce offshore resources in a manner that is compatible with and protective of the environment while ensuring the safety of our employees and the public. MMS has played a strong role as a steward of the Gulf, making sure that exploration and development activities are conducted in accordance with well established laws and regulations.

If you have any questions or need further clarification, please do not hesitate to call me, or Rick Meyer at (504) 728-6393.

Very truly yours,

R. B. Meyer, P.E. for

Peter K. Velez
Manager, Regulatory Affairs, Operations HSE, and Incident Command



May 31, 2002

NATIONAL
OCEAN
INDUSTRIES
ASSOCIATION

1120 G STREET

NORTHWEST

SUITE 900

WASHINGTON DC

20005

202 347 6900 TEL

202 347 8650 FAX

WWW.NOIA.ORG

Minerals Management Service
Gulf of Mexico OCS Region
Office of Leasing and Environment
1202 Elmwood Park Boulevard
New Orleans, LA 70123-2394

ATTN: Regional Supervisor (MS 5410)

RE: Draft Environmental Impact Statement for Proposed Lease Sales
in the Central and Western Planning Areas

Dear Sir or Madam:

The National Ocean Industries Association (NOIA) appreciates the opportunity to respond to your request for comments on the draft environmental impact statement for proposed lease sales in the Central and Western Planning Areas. NOIA is the only national trade association representing all segments of the offshore energy industry. The NOIA membership comprises more than 300 companies engaged in activities ranging from producing to drilling, engineering to marine and air transport, offshore construction to equipment manufacture and supply, shipyards to communications, and geophysical surveying to diving operations. The draft environmental impact statement (DEIS) for the proposed lease sales is, therefore, of particular importance to NOIA.

NOIA strongly supports the MMS decision to prepare one environmental impact statement for nine lease sales in the proposed Five-Year Program in accordance with National Environmental Policy Act regulation 40 CFR 1502.4. Analyzing these similar proposals in one document allows for a more thorough analysis of cumulative impacts and more expeditious planning by the agency and the companies operating in the central and western Gulf of Mexico. In addition, NOIA applauds the schedule in the proposed five-year plan and reinforced in the DEIS which allows for areawide lease sales. This will eliminate unnecessary duplication, and allow for site-specific environmental assessments for each successive sale. These processes allow the agency to carry out its mandate under the Outer Continental Shelf Lands Act (OCSLA) for expedited exploration and

development of the OCS.

Proposed Central Gulf Sales

The proposed Central Gulf lease sales are 185 in 2003, 190 in 2004, 194 in 2005, 198 in 2006 and 201 in 2007. The DEIS analyzes four alternatives for this area. Alternatives B and C would remove areas from consideration for leasing that analysis indicates would not be harmed from routine oil and gas activities. Alternative D would cancel one or more of the proposed sales in the Central Planning Area. Alternative A would offer for lease all unleased blocks within the Central Planning Area for oil and gas operations, except for those blocks that are deferred under the "Treaty Between the Government of the United States of American and the Government of the United Mexican States on the Delimitation of the Continental Shelf in the Western Gulf of Mexico Beyond 200 Nautical Miles."

NOIA supports Alternative A as the Proposed Action. The alternative estimates that any one of the lease sales in the Central Planning Area would produce 276,000,000 to 654,000,000 barrels of oil and 1.590 to 3.300 trillion cubic feet of natural gas. These resources are needed to achieve a portion of the nation's economic and energy policy goals, in accordance with the OCSLA and the President's Energy Program.

There are three lease stipulations included in the Proposed Action. The first of these is the live bottom (pinnacle trend) stipulation which would require that prior to any drilling activities or the construction or placement of any structure for exploration or development in any live bottom areas, the lessee would submit to the Regional Director a live bottom survey report containing a bathymetry map prepared using remote sensing techniques. If analysis of the map indicates that live bottoms might be adversely impacted by the proposed activity, the Regional Director would require that the lessee undertake any measure economically, environmentally and technically feasible to protect the area, including the relocation of operations and the monitoring to assess the impact on the live bottoms.

The second stipulation is the topographic features stipulation. Stipulations to protect these coral reef communities have been imposed on leases since 1973. Among other things, the stipulation establishes "no activity zones" around sixteen banks in the Central Planning Area. The third stipulation, the military areas stipulation, has been applied to all blocks leased in military areas in the Gulf of Mexico since 1977.

NOIA-1 (CONT)

While NOIA generally believes that stipulations should not be sweepingly imposed over numerous lease sales, we appreciate the fact that these stipulations are results-oriented, rather than prescriptive, and that the Assistant Secretary has the discretion to apply them or not as needed.

Proposed Western Gulf Sales

The Proposed Western Gulf sales are 187 in 2003, 192 in 2004, 196 in 2005, and 200 in 2006. The DEIS analyzes three alternatives for this area. Alternative B would remove areas from consideration for leasing that analysis indicates would not be harmed from routine oil and gas activities, and Alternative C would cancel one or more of the proposed sales in the Western Planning Area. Alternative A would offer for lease all unleased blocks within the Western Planning Area for oil and gas operations except for portions within the Flower Garden Banks National Marine Sanctuary, areas identified by the Navy as needed for testing equipment and training, and blocks that are deferred under the "Treaty Between the Government of the United States of American and the Government of the United Mexican States on the Delimitation of the Continental Shelf in the Western Gulf of Mexico Beyond 200 Nautical Miles."

NOIA supports Alternative A as the Proposed Action. The alternative estimates that any one of the lease sales in the Western Planning Area would produce 136,000,000 to 262,000,000 barrels of oil and 0.810 to 1.440 trillion cubic feet of natural gas. These resources are needed to achieve a portion of the nation's economic and energy policy goals, in accordance with the OCSLA and the President's Energy Program.

There are three lease stipulations included in the Proposed Action. The first of these is the topographic features stipulation, described above. The second and third stipulation, the military areas stipulation and the naval mine warfare stipulation, are intended to reduce potential multiple use conflicts between oil and gas operations and Department of Defense activities.

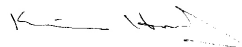
As mentioned previously, NOIA generally believes that stipulations should not be sweepingly imposed over numerous lease sales, but we appreciate the fact that these stipulations are results-oriented, rather than prescriptive, and that the Assistant Secretary has the discretion to apply them or not as needed.

NOIA strongly encourages the expeditious completion of this Environmental Impact Statement and compliance with the schedule set out in the proposed Five-Year Program. With so many of our offshore natural gas and oil resources

NOIA-1 (CONT)

eliminated from consideration for leasing by the government, these sales are vital to the nation. If you have any questions or need additional information, please feel free to contact me at (202)347-6900.

Sincerely,



Kim Harb
Director of Government Affairs

U.S. ENVIRONMENTAL PROTECTION AGENCY

USEPA-GC1 Comments noted. The MMS's operational regulations and inspection program are specifically intended to ensure safe operations and prevention of pollution.

USEPA-GC2 The MMS's operational manual for archaeological resources management, entitled *Handbook for Archaeological Resource Protection* (MMSM 620.1-H) (USDOI, MMS, 1985), has been officially reviewed and accepted by both the Advisory Council on Historic Preservation (ACHP) and the Chief Consulting Archaeologist of the U.S. Department of the Interior as operating regulations at 30 CFR 250.194. To date, there has been no official consultation for the proposed 2003-2007 lease sales between the MMS's Gulf of Mexico OCS Region and the ACHP State Historic Preservation Officer for each state. No archaeological concerns were raised during the public hearings held on the Draft EIS. At present, no existing Indian tribes are expected to be affected by the proposed OCS lease sales (Chapters 4.2.1.14.4 and 4.3.1.12.4). The MMS has archaeological resources management responsibility only in the Federal Exclusive Economic Zone, which extends from the State/Federal offshore boundaries out to 200 nmi.

USEPA-GC3 The MMS policy is to allow at least 30 days from the publication of a draft lease sale EIS to the public hearings. The MMS policy also provides for an extended public comment period of 60 days. For this EIS, the Draft EIS was released April 1, 2002; the first scheduled public hearing was held on April 30, 2002, in Houston, Texas; the public comment period ended May 31, 2002.

The MMS agrees that shortening the EIS could be beneficial to the reviewers. This multisale EIS replaces multiple individual or annual EIS's and is intended to support EA's prepared for each lease sale. As such, MMS decided that the proposed action analyses for the CPA and the WPA proposed actions should be "self-contained" to allow ready incorporation by reference and tiering for the individual lease sale EA's. From a practical standpoint, major reformatting of the EIS at this point in the overall schedule could result in loss of text, incomplete discussions in some sections, or introduction of errors. For future EIS's, MMS will reconsider putting the generic impact discussion into an appendix as was done for the Draft EIS for the Destin Dome 56 Unit Development and Production Plan and Right-of-Way Pipeline Application USDOI, MMS, 1999).

The MMS does not agree with the recommendation to analyze one typical proposed action for lease sales in both the WPA and CPA. The existing infrastructure, the projected levels of activities, the estimated oil and gas resources, and the proportion of oil versus gas is very different for each of the planning areas.

USEPA-GC4 The expiration dates for the current NPDES General Permits for OCS discharges in USEPA Regions 4 and 6 have been added to the text in several appropriate places in the EIS.

USEPA-GC5 Many references appear in various discussions related to discharges and to regulations and NTL's requiring avoidance of certain areas of biological concern. A number of studies have described the impacts of various drilling effluents on the benthic environment. These studies are referenced in many of the EIS discussions. The reviewer's comment appears to be referring only to infauna or sediment-dwelling animals. These communities are not addressed in detail (e.g., species-level) due to the ubiquitous nature of soft bottom in the Gulf of Mexico, limited impact areas from drilling discharges, and expected rapid recolonization of impacted areas from surrounding infauna communities. It is impossible to address "potential" changes in species richness,

community composition, and diversity without knowledge of site-specific, pre-drilling community structure and physical characteristics of the benthic habitat. Kennicutt (1995), referenced numerous times in Chapter 4, does present some of the most detailed data from the Gulf of Mexico on the alteration of benthos around three continental shelf platforms. However, recent studies have determined that some of the major changes in soft-bottom communities near platforms reported here are due to an artificial reef effect not related to discharges or any other source of contamination.

USEPA-GC6 Many Gulf Coast States now sample the edible tissue of estuarine and marine fish for total mercury. The USEPA merged both State and Federal mercury data into the Gulfwide Mercury in Tissue Database to characterize the occurrence of mercury in Gulf of Mexico fishery resources (Ache, 2000). The report found that all Gulf Coast States have published fish consumption advisories for large king mackerel. The report recommends testing of additional species through a coordinated approach. In May 2002, the Mercury Forum was held in Mobile, Alabama. The first meeting of the Interagency Working Group (IWG) on Methyl Mercury, which was organized by the Office of Science and Technology Policy in coordination with the Council on Environmental Quality, was held in June 2002. In addition to MMS, participants included USEPA, FDA, the National Institutes of Health, and NOAA, as well other agencies.

In the spring of 2002, the NOAA Fisheries began a fish-sampling program designed to measure mercury in noncommercially harvested fish. These fish, for which there is only limited mercury concentration data, may be frequently consumed by subsistence, commercial, and recreational fishermen and their families. The sampling program, titled the *NOAA Fisheries Synoptic Survey of Total Mercury in Recreational Finfish of the Gulf of Mexico*, has three objectives: (1) to seek information about a possible relationship between fish and oyster mercury concentrations, which would allow for the use of oysters to predict fish mercury concentration; (2) to determine any difference in mercury concentrations between reef fish obtained at oil and gas rigs and reef fish caught at non-rig reefs; and (3) to compare mercury concentrations between the Western and Eastern Gulf of Mexico migratory pelagic species (e.g., tunas, mackerels, and cobia) (Garrett and Lowery, 2002).

Information on the composition of drill cuttings has been added to the text.

USEPA-SC1 Clarifying text has been added.

USEPA-SC2 The text on page 4-120 was incorrect and has been corrected. As stated in the text on page 4-183, no increase in overall OCS activities is expected.

USEPA-SC3 The section references have been corrected.

USEPA-SC4 The text has been revised to include the additional information.

USEPA-SC5 Footnotes have been added to Tables 4-25 and 4-26.

USEPA-SC6 At present, there are no published studies documenting baseline underwater ambient-noise levels in the Gulf of Mexico (ambient noise is environmental background noise). A study is being conducted by scientists at the Naval Research Laboratory at Stennis Space Center, Mississippi, and the University of New Orleans, Louisiana, to measure ambient-noise levels in the northern Gulf of Mexico (Newcomb et al., 2002). Three autonomously recording hydrophones have been placed at the 600-m, 800-m, and 1,000-m isobaths of the northern Gulf. Once measurements are completed and analyzed, other noises of interest (e.g., vessel traffic) may be measured and compared with the ambient-noise levels obtained in this study. Chapter 4.1.1.3.7 provides a description of industry-related

noise sources in the northern Gulf of Mexico, including noise levels associated with aircraft (including helicopters). Interested readers may wish to consult Richardson et al. (1995) for more information regarding manmade noises and their potential impacts to marine mammals.

- USEPA-SC7 The MMS believes the level of detail evaluating the level of impacts on EFH and managed species is adequate. The National Marine Fisheries Service has concurred; their review summary and EFH consultation agreement states “. . . potential impacts to EFH and associated fishery resources are thoroughly addressed.” Potential effects to managed fish species and to habitats designated as EFH are addressed in Chapters 4.2.1.10, 4.3.1.8, 4.4.3.10, and 4.5.10.
- USEPA-SC8 Most OCS operators have high-profile worker and operations safety programs. Operators are required to comply with all applicable laws and regulations – from USCG requirements for firefighting equipment and flotation devices to OSHA requirements for protective clothing to FDA guidelines for safe handling of foods. The USCG, USEPA, and OSHA have primary regulatory authority over the proper storage, transportation, use, and disposal of hazardous materials.
- USEPA-SC9 In dual-density or dual-gradient drilling, two distinct pressure gradients exist for the drilling fluids. A mud properly weighted for the formation is used in the borehole (one pressure gradient). The mud is carried from the seafloor to the surface through one or more lines (second gradient) that are separate from the drill string annulus. A subsea pump circulates the drilling fluid from the wellbore to the surface through the riser. A more detail discussion of dual-density drilling has been added to Chapter 4.1.1.2.2 of this Final EIS.
- USEPA-SC10 The increased use of synthetic-based drilling fluids (SBF) does not imply an increase in drilling activity. Instead, the increased use of SBF is a reflection of a change in the type of fluid used during drilling. Since the use of SBF means that drilling fluids are more likely to be recycled rather than discharged and since the use of SBF could lead to smaller diameter wellbores with discharge of less cuttings, the overall use of SBF could result in less volume of discharged drilling muds and cuttings and a reduction in the discharge of any mercury associated with the muds and cuttings.

The text has been revised to clarify the terminology.

U.S. DEPARTMENT OF THE NAVY

Navy-1 Comments noted.

ALABAMA OFFICE OF THE GOVERNOR

- ALGov-1 The MMS recognizes the need to protect live-bottom areas, pinnacle and topographic features, and chemosynthetic communities. Lease stipulations and NTL's to protect these resources are included in the proposed actions evaluated in this EIS.
- ALGov-2 The MMS and the Alabama Geological Survey/Oil and Gas Board together developed a lease stipulation to minimize potential visual impacts. The stipulation (text below) would be included only on leases on CPA blocks south of and within 15 mi of Baldwin County, Alabama. The stipulation would be applied under Alternatives A and B as analyzed in this EIS. This stipulation has been adopted for Central Gulf Sales since 1999. This stipulation will be considered for adoption by the Assistant Secretary of the Interior for

Land and Minerals (ASLM) at the completion of the EIS/prelease process. The analysis of any stipulations as part of Alternative A does not ensure that the ASLM will make a decision to apply the stipulations to leases that may result from any proposed lease sale, nor does it preclude minor modifications in wording during subsequent steps in the prelease process if comments indicate changes are necessary or if conditions change.

Lease Stipulation for Blocks within 15 Miles South of Baldwin County, Alabama

In order to minimize visual impacts from development operations on this block, you will contact lessees and operators of leases in the vicinity prior to submitting a Development Operations Coordination Document (DOCD) to determine if existing or planned surface production structures can be shared. If feasible, your DOCD should reflect the results of any resulting sharing agreement, propose the use of subsea technologies, or propose another development scenario that does not involve new surface structures.

If you cannot formulate a feasible development scenario that does not call for new surface structure(s), your DOCD should ensure that they are the minimum necessary for the proper development of the block and that they will be constructed and placed, using orientation, camouflage, or other design measures, to limit their visibility from shore. The MMS will review and make decisions on your DOCD in accordance with applicable Federal regulations and MMS policies, and in consultation with the State of Alabama (Geological Survey/Oil and Gas Board).

Alternative C would exclude from the proposed lease sales any unleased blocks within 15 mi of Baldwin County, Alabama. At the completion of the EIS/prelease process, the ASLM considers the conclusions of the EIS analyses and the comments received during scoping and on the Draft and Final EIS's. At that time, the ASLM decides which of the proposed alternatives will be implemented.

ALGov-3 Comment noted. The MMS shares your concerns about the potential impacts to onshore air quality from OCS activities. The MMS staff is available to meet with State representatives to discuss air quality issues.

ALGov-4 The MMS will keep the State of Alabama informed of any recommendations from the OCS Scientific Committee regarding potential mercury contamination associated with OCS platforms.

In addition, the Interagency Working Group (IWG) on Methyl Mercury was organized by the Office of Science and Technology Policy in coordination with the Council on Environmental Quality. The first meeting of the IWG was held in June 2002. In addition to MMS, participants include the USEPA, FDA, the National Institutes of Health, and NOAA, as well as other agencies.

ALGov-5 Section 1.2.5.1 of the Final EIS for the 5-year program explains the U.S. Department of the Interior's position on "revenue sharing" to compensate coastal States for impacts.

The U.S. Department of the Interior has supported the concept of greater sharing of revenues with the States and communities most heavily affected by OCS oil and gas activities, as well as the principle of using impact assistance as a means of protecting coastal and marine resources and mitigating the environmental impacts of OCS activities. The *Commerce, State, and Justice Fiscal Year 2001 Appropriations Act* created a Coastal Impact Assistance Program (CIAP) for which Congress authorized \$150 million. The Program is intended to support projects and activities related to coastal stewardship and specifically allows a State to use a portion of the monies received to mitigate the impacts of the OCS activities. Further, the Oil Pollution Act of 1990 (P.L. 101-380) includes

provisions requiring compensation for damages created by onshore and offshore oil spills. Levels of compensation specified in the legislation should prove adequate for physical, environmental, and social damages.

- ALGov-6 To ensure conformance with State Coastal Zone Management (CZM) program policies and local land use plans, MMS will prepare the appropriate consistency determination prior to each proposed OCS lease sale addressed in this multisale EIS. In addition, MMS sends copies of OCS plans, including the consistency certifications and other necessary information, to the designated State CZM agency for review to determine whether the proposed activities will be conducted in a manner consistent with the State's approved CZM program.

ALABAMA DEPARTMENT OF ENVIRONMENTAL MANAGEMENT

- ADEM-1 As the comment notes, the same comments were submitted in relation to the Draft EIS for the proposed OCS Oil and Gas Leasing Program for 2002-2007 (the 5-Year Program). The response to the comment on the 5-Year Program is addressed as Issue 13 and appears on page 5-32 of the Final EIS.

The MMS and Alabama Geological Survey/Oil and Gas Board together developed a stipulation to minimize potential visual impacts. The stipulation (text provided in the response to Comment ALGov-2 above) would be included only on leases on CPA blocks south of and within 15 mi of Baldwin County, Alabama. The stipulation would be applied under Alternatives A and B analyzed in this EIS. Alternative C would exclude from the proposed lease sales any unleased blocks within 15 mi of Baldwin County, Alabama.

- ADEM-2 At the completion of the EIS/prelease process, the Assistant Secretary of the Interior for Land and Minerals (ASLM) considers the conclusions of the EIS analyses and the comments received during scoping and on the draft and final EIS's. At that time, the ASLM decides which of the proposed alternatives and/or lease stipulations will be implemented. Please see the responses to Comments ALGov-2 and ALGov-5 above.

- ADEM-3 Comment noted. Please also see the response to Comment ADEM-1 above.

ALABAMA HISTORICAL COMMISSION

- AHC-1 To ensure conformance with State Coastal Zone Management (CZM) program policies and local land use plans, MMS will prepare the appropriate consistency determination prior to each proposed OCS lease sale addressed in this multisale EIS. In addition, MMS sends copies of OCS plans, including the consistency certifications and other necessary information, to the designated State CZM agency for review to determine whether the proposed activities will be conducted in a manner consistent with the State's approved CZM program.

LOUISIANA DEPARTMENT OF NATURAL RESOURCES

- LADNR-1 Comment noted. The MMS submits Consistency Determinations to the affected Gulf Coast States prior to each lease sale.
- LADNR-2 It is MMS's intention and goal to provide systematic and thorough scientific evidence to support predictions of coastal habitat loss in response to OCS activities. The ongoing

Coastal Impacts of Pipeline and Navigation Canals study is a comprehensive and detailed analysis of specific major OCS pipelines occurring in the four-State region of the Gulf coast where OCS activities take place (i.e., Texas, Louisiana, Mississippi, and Alabama). The pipelines that have been selected and the associated analyses that have been applied will give MMS some measure of historic loss that can be translated into a plausible, quantitatively predictive context of what might occur if more pipelines are constructed using the described emplacement techniques. These pipelines vary in regards to the timing (1960's to mid-1990's) and methodology of their placement. The pipelines and canals surveyed have been related to historic datasets (1956) in an effort to determine the loss associated with direct impacts of pipeline construction and increased navigation in association with OCS activities.

A composite of current mitigation techniques has been included in the Final EIS to familiarize permitting agencies and State-maintenance providers with the past and present mitigation techniques that are available for the protection of sensitive coastal habitat. The ongoing study will also evaluate the effectiveness of mitigation techniques for selected pipelines.

Various estimates of the total relative direct and indirect impacts of pipeline and navigation canals on wetland loss vary enormously—ranging from a low of 9 percent to estimates of greater than 50 percent. The MMS agrees that narrowing this range of estimates is paramount to guiding the choice of management approaches to reduce and recover wetland losses.

Preliminary data developed by the U.S. Geological Survey from the ongoing study for coastal Louisiana reflects the following:

- (1) Total length of OCS pipelines included in the Louisiana study area from offshore or the the 3-mi line (offshore State/Federal boundary) to the inland coastal zone boundary for Louisiana was approximately 15,400 km or 9,570 mi. Sources of data were PennWell Mapsearch, National Pipeline Mapping System, and Louisiana Geological Survey pipeline data. Of that total, approximately 8,000 km (4,971 mi) or over half of these pipelines crossed wetland (marsh) or upland habitat. Additionally, based on USGS 1978 habitat data, approximately 56% of the length of pipelines crossed marsh habitat and 44% percent crossed upland habitat. Using USGS land loss data from 1956 to 2002, the total amount of land loss attributed to OCS pipelines was 34,400 ha (85,120 ac), within a 300 m (984 ft) buffer for each OCS pipeline. This number represents .04 km² (4.00 ha/9.88 ac) per linear km of pipeline installed. When one divides 34,400 ha by the 46-year period (1956-2002), the loss per year is 746 ha (1,843 ac) for the 8,000 km (4,971 mi) of OCS pipeline or 11.9% of total land loss in the entire Louisiana pipeline study area. Note that from the period 1990 to 2002 (based on the preliminary data by USGS) the total pipeline land loss for the study area was approximately 25 km² (~10 mi²) or 525 ac/yr, which represents a dramatic decline from the 1956-1978 and 1978-1990 analysis.
- (2) Many of these pipelines were installed prior to the implementation of the NEPA of 1969 and more recently, the State of Louisiana's Coastal Permit Program in 1981. Additionally, given the width of the buffer – 300 m (984 ft) versus the actual pipeline canal width, which may be a 31 to 61 m (100 to 200 ft) wide, an unknown portion of water increase is attributed to other factors unrelated to OCS pipelines. To address this, selected OCS pipelines are being studied in greater detail to ascertain direct and

secondary impacts to the extent possible and the information from that analysis will be included in future NEPA documents.

Navigation channels subjected to new or increased water flow (such as boat wakes) is an assumed secondary impact. The MMS recognizes that past studies have concluded that the enlargement of existing canals by erosion may be indicative of substantial secondary impacts from erosion in canals from vessel usage. As stated in the EIS, OCS-related vessel usage is approximately 12 percent of all navigation that uses these channels. The current study will address the measurable extent of landloss due to vessel usage of existing channels and canals used by OCS vessels.

Unfortunately, difficulties occur in attempting to quantify the exact effect of secondary impacts for various reasons: (1) changes in hydrology and sedimentation occur naturally over long periods of time, requiring investigators to separate out background changes; (2) impacts may occur over very long periods; and (3) effects may occur in areas somewhat removed from the original impacted site. Secondary impacts are often subtle, involving small changes in salinity, hydrology, or erosion patterns. Over the long term, these types of changes can have substantial impacts on not only the extent of wetland area but the character and health of the wetland system. Over the short term, these impacts may not be discernable by large-scale studies.

The MMS's Environmental Studies Program is continuing to develop studies profiles that will help address the following impacts:

- wetlands loss projections for OCS-related pipelines and navigational canals;
- navigational canal deepening and associated saltwater intrusion;
- bankline erosion along navigational canals caused by waterborne traffic and pipeline canal dredging; and
- potential impacts to marshes, canals, and estuarine waters due to water pollution.

The MMS will be happy to provide interested stakeholders a copy of the Studies Plan for 2003-2005. The MMS Studies Plans are updated annually.

LADNR-3 Please see the response to Comment LADNR-2 above.

LADNR-4 Please see the response to Comment ALGov-5 above.

LADNR-5 The exploration, development, and production activities resulting from a particular lease sale in the Gulf of Mexico that could cause impacts to wetlands are projected to occur over an extended period of time. The resulting impacts from these lease sales overlap with those occurring from other lease sales. It is not possible to distinguish impacts from one lease sale to another. This multisale EIS can only generally address the potential for impacts attributed to the Gulfwide OCS oil and gas leasing program.

The MMS acknowledges the State of Louisiana's no-net-wetlands-loss policy embodied in the Louisiana Conservation Plan. The MMS has funded various studies during the 1980's and 1990's, and in the present to address and assist resource managers and permitting agencies in their efforts to reduce or eliminate habitat loss attributed to OCS activities. Recently, BP was praised by the Louisiana Department of Natural Resources for their efforts in reducing impacts to wetlands from the construction of the Endymion Pipeline by using trenchless or directional drilling. This technique is considered to be

extremely protective of sensitive habitats and is currently required almost without exception for crossing barrier islands, shore faces, and wetlands.

Please also see the response to Comment LADNR-2 above.

LADNR-6 As indicated in the response to Comment LADNR-5 above, the exploration, development, and production activities resulting from a particular lease sale in the Gulf of Mexico that could cause impacts to wetlands are projected to occur over an extended period of time. The impacts resulting from the proposed actions would overlap with those occurring from past and future lease sales. It is not possible to distinguish impacts from one lease sale to another. This multisale EIS can only generally address the potential for impacts attributed to Gulfwide OCS oil and gas leasing program.

LADNR-7 Comment noted.

COALITION TO RESTORE COASTAL LOUISIANA

CRCL-1 The level of detail in this EIS is consistent with that found in past Central and Western Gulf of Mexico EIS's and is appropriate for the regional analysis required at this stage in the OCS Program. The amount and detail of information needed for a NEPA analysis depends upon the decision that it is intended to support. The analysis in this EIS must support decisions on whether to hold specific lease sales scheduled in the Outer Continental Shelf Oil & Gas Leasing Program for 2002-2007 and on the specific configuration and conditions for each of the proposed sales. This EIS addresses proposed areawide lease sales with potential impacts over broad and diverse geographic areas. NEPA analyses prepared for proposed post-lease activities will be site-specific and hence will provide more detail about the particular projects in question.

With regard to any inconsistencies with the Lease Sale 181 EIS, we are constantly incorporating new information into our NEPA documents, and therefore what may appear to be inconsistencies between older documents and this one are in fact simply the incorporation of new and improved analyses. We continually update our information base with results of studies from numerous sources including MMS's extensive environmental studies program. As more and better information is available, our methodologies and analyses are improved, resulting in changes from one lease sale EIS to the next.

CRCL-2 While some additional information would be useful to the current analysis, it is not essential for this EIS or in support of informed decisionmaking relative to the proposed lease sales. The amount and detail of information needed for a NEPA analysis depends upon the decision it is intended to support. The analysis in this EIS must support decisions on whether or not to hold specific proposed lease sales scheduled for specific times and which protective alternatives and lease stipulations will be applied. The NEPA analyses for specific exploration and development proposals will be prepared at the time those actions are ripe for decision. These subsequent NEPA analyses will incorporate any new information available since the preparation of this EIS.

Studies related to mitigation efforts, such as mentioned in this comment, would not affect the lease sale decisions, but rather are considered for application of mitigation measures for specific projects. The NEPA document prepared on a lease sale is an ideal way of obtaining input concerning potential problems and impacts, such as wetlands loss, thus helping to identify research and studies that may be needed to address the problem, and exposing to the public the progress and eventual results of such studies. This does not

mean that lease sale decisions cannot be made until the results of such studies are available.

Please also see the response to Comment LADNR-2 above.

- CRCL-3 As with any, new developing issue, information is being collected and studies are ongoing or being initiated. Again, while some additional information would be useful to the current analysis, it is not essential for this EIS or in support of informed decisionmaking relative to the proposed lease sales. The amount and detail of information needed for a NEPA analysis depends upon the decision it is intended to support. We believe that the available information on mercury (and other such compounds) and the analysis in this EIS are sufficient to support decisions on the lease sales. The basic premise of the analysis in this EIS is that all offshore discharges comply with the NPDES permit limitations, which are developed and issued by the USEPA.

The Interagency Working Group (IWG) on Methyl Mercury was organized by the Office of Science and Technology Policy in coordination with the Council on Environmental Quality. The first meeting of the IWG was held in June 2002. In addition to MMS, participants include the USEPA, FDA, the National Institutes of Health, and NOAA, as well as other agencies.

- CRCL-4 The amount and detail of information needed for a NEPA analysis depends upon the decision that it is intended to support. The analysis in the EIS for the proposed Outer Continental Shelf Oil & Gas Leasing Program for 2002-2007 supported a program-level planning decision on future OCS leasing proposals. The analysis in this EIS is intended to support informed decisionmaking on specific proposed Gulf of Mexico lease sales. The environmental analyses prepared for the proposed lease sales in subsequent years will tier from this multisale EIS and examine any new issues, alternatives, mitigation measures, information, and potential impacts. The NEPA analyses for specific proposed exploration, development, and production activities will be prepared at the time that these actions are ripe for decision. This "tiered" approach to NEPA compliance and decisionmaking is encouraged by NEPA regulations (40 CFR 1502.20 and 1508.28) and upheld in Federal court.

- CRCL-5 Chapter 4.4.1.1.2 of the Draft EIS presents a general overview of the approach MMS used to evaluate spill risk. The risk of spill occurrence and contact to wetlands is discussed in detail in Chapter 4.4.1.1.7 (pages 4-202 and 4-203 of the Draft EIS). The extensive analysis of the potential impacts of oil spills on wetlands is presented in Chapter 4.4.3.1.2 (pages 4-220 through 4-222 of the Draft EIS). Although oil spills are reasonably foreseeable events resulting from the proposed actions and the Gulfwide OCS Program, they are unpredictable events except in statistical terms. Where a spill occurs, the composition of the oil, the existing oceanographic and meteorological conditions, and the timing and effectiveness of the spill response all effect the risk of a spill contacting wetlands, where such contact might occur, and the potential impacts to wetlands.

Please also see the response to Comment CRCL-2 above.

- CRCL-6 Please see the response to Comment LADNR-2 above.

- CRCL-7 The MMS relied on general historical spill records, using data from the USCG's Marine Safety Information System database, to estimate a spill rate for coastal spills that could occur from a proposed action. Unfortunately, there were no other data sources available at the time of writing of this document. The MMS is working closely with the Louisiana Applied Oil Spill Research and Development Program, which has funded a researcher to gather spill data specific to Louisiana. The funded research will provide a detailed

analysis of the data to identify causes and sources of spills in Louisiana. The study is not yet finalized. The MMS will use these data to make future projections of coastal spills as soon as the data can be analyzed. We realize that there are inherent problems with relying on past data to project future spill rates, especially data that may not reflect possible new causes of spills, such as exposed and old pipelines or new spill-prevention requirements. At present, it is not known if the spill rate in coastal Louisiana is increasing or decreasing. The MMS factors information about Louisiana infrastructure into the assessment of spill risk—the likely locations of possible spill events are assumed to be at existing coastal infrastructure and pipeline landfalls. If the Louisiana study shows that facilities experiencing increasing rates of spill events are also located in coastal areas experiencing increasing rates of landloss, that phenomena will also be factored into the projections of future spill risk.

CRCL-8 Please see the responses to Comments LADNR-5 and CRCL-7 above.

CRCL-9 The Draft EIS for Gulf of Mexico OCS Oil and Gas Lease Sales: 2003-2007 was written with more current and accurate information with respect to waste disposal than was available for the Lease Sale 181 EIS. The MMS has hired a nationally respected expert (Steve Mobley with Research and Planning Consultants, Inc.) in the field of waste disposal to study the effects of OCS waste on the Gulf of Mexico coastal States (*Deepwater Program: OCS-Related Infrastructure in the Gulf of Mexico Fact Book*, Louis Berger Group, Inc., in preparation). The key findings of the study are:

- Capacity to manage waste generated by OCS drilling and production activities is adequate for the present and for a hypothetical future that includes a doubling of current waste volumes.
- Oil and gas waste management facilities along the Gulf Coast have adequate capacity, and some new entrants into the market have added to industry capacity and the diversity of technologies available for the industry to use.
- Facilities that accept OCS-generated waste that is not unique to oil and gas operations, such as municipal waste landfills and hazardous waste treatment, storage, and disposal facilities, are diverse and specialized, and manage waste for the broad base of U.S. industry. The OCS industry does not generate a large part of the waste stream into these facilities and is not expected to be material to the overall capacity of the industry. Capacity of industrial waste management facilities is, for the most part, abundant as U.S. industries have learned to minimize wastes they ship to offsite facilities for management.

It is Mr. Mobley's expert opinion that the capacity at onshore NOW facilities is more than sufficient to accommodate OCS waste, which totals less than 600,000 bbl per year or 0.09 percent of total NOW waste. In addition, it is this expert's opinion that solid waste landfills receive only a small fraction of their total loading from OCS activities.

Municipal solid waste disposal from OCS activities currently imposes only a small incremental load on the landfills examined in this study—probably no more than 5 percent of total receipts by all the landfills serving south Louisiana. . . . Furthermore, assuming a landfill 1) presently had OCS waste constituting 5 percent of its waste stream, 2) the remaining life of a landfill was 20 years at current fill rates, and 3) OCS waste doubled but the rest of the incoming waste stream remained flat, then the OCS activities would cause the landfill to be close at the end of 19 years as a result of the OCS contribution increase. With no waste received from OCS activities at all, the

landfill would close in 21 years. . . . Lastly, the use of landfarming of OCS waste is likely to decline further, particularly with greater availability of injection methods for wastes containing solids. Future regulatory efforts are likely to discourage the practice by adding requirements that damage the economics if not by an outright ban on future permits.

CRCL-10 The “totals” for existing pipeline landfalls and pipelines entering State waters have been corrected.

The proposed actions addressed in Table 4-13 represent a typical CPA lease sale and a typical WPA lease sale as scheduled in the *Outer Continental Shelf Oil & Gas Leasing Program for 2002-2007*. The OCS Program activities addressed in Table 4-14 include activities resulting from the proposed actions, and past and future OCS lease sales. As the proposed actions are part of the Gulfwide OCS Program activities for 2003-2004, Table 4-13 is a subset of Table 4-14.

CRCL-11 Comments noted.

SHELL EXPLORATION & PRODUCTION COMPANY

Shell-1 Comments noted.

NATIONAL OCEAN INDUSTRIES ASSOCIATION

NOIA-1 Comments noted.